

## Modern Slavery Statement

**Sektor Pty Limited (ACN 140 763 417)**

Reporting Period: 1 April 2020 to 31 March 2021

### *Our Second Modern Slavery Statement*

This statement is Sektor Pty Ltd's second Modern Slavery Statement (**Statement**) pursuant to the *Australian Modern Slavery Act 2018* (Cth). Sektor Pty Limited (**Sektor Australia**) is part of the Sektor group of companies. Sektor Australia uses the same policies, procedures and governance processes as its New Zealand incorporated parent company, Sektor Group Ltd. The Sektor group of companies has adopted a group wide approach to modern slavery.

The purpose of this statement is to outline the actions Sektor Australia, as well as the Sektor group of companies, are taking to assess and address modern slavery risks in its business operations and supply chains, and how we plan to continue to improve our frameworks and processes in the future.

### *Our Structure*

Sektor Australia is a private company. It is a subsidiary of the New Zealand entity Sektor Group Limited (**Sektor Group**). The Sektor group structure includes other subsidiaries including Sektor Ltd (Auckland, New Zealand), Sektor Distributors Sdn., Bhd., (Kuala Lumpur, Malaysia), Sektor (Thailand) Co., Ltd., (Bangkok, Thailand), and Sektor (Vietnam) Co., Ltd, (Ho Ch Minh City, Vietnam).

The Sektor Group specialises in delivering and distributing innovative and efficient technologies for the retail Point-Of-Sale, networking, security, cyber security, healthcare, ergonomics, and mobility markets.

Since its inception in 2009, Sektor Group has grown to a team of over 197 people, operating in 12 cities, with 6 warehouses, across Australia, New Zealand, Thailand, Malaysia and Vietnam. Sektor Australia employs 84 employees.

### *Our Operations and Supply Chains*

Sektor Australia's main operations include distribution to established resellers who install into the retail Point-Of-Sale, networking, security, cyber security, healthcare, ergonomics and mobility markets through its established reseller network.

Sektor Group's operations also include services such as pre-sales consultancy and managed roll-out services.

As a 100% channel focused business, everything Sektor Australia does is about delivering value to its partners. Sektor Australia constantly researches industry and technology trends and builds trusted vendor relationships, to ensure it can bring its partners the latest and greatest. Sektor Australia strives to help partners to engage more deeply with their customers by delivering technology that improves business outcomes.

Sektor Australia works with many international suppliers that provide the products we supply and sell. More information about the suppliers we work with can be found on our website: <https://www.sektor.com.au/Brands>.

Our warehousing operations involve the distribution of Point-Of-Sale hardware, security cameras, healthcare products, ergonomic products and portable mobility products. The warehouses are fully operated by Sektor Group with the workers in these warehouses being employed directly by Sektor Group

companies, except for our Vietnam operation where our warehousing is operated by a recognised third party logistics (3PL) company.

Our supply chain comprises mainly of global well known multi-national technology companies that we have enjoyed long term relationships with. The list of brands that Sektor Australia represents and distributes are listed on our web site.

### *Potential risks in operations and supply chains*

Sektor Group's focus is on potential risks to people rather than risks to our business entities.

As an electronics distributor, Sektor Group recognises that the industry in which it operates has the potential to be a high risk area for modern slavery. Sektor Group is at risk of being directly linked to modern slavery as many of our suppliers have production sites in the Asia Pacific and China regions where human rights risks can be considered on the higher side.

In our supply chains both globally and in Australia, the risks of modern slavery are predominantly associated with our manufacturing suppliers who operate in countries where there is high volume of foreign migrant labour and potentially less legal entitlements for workers. These types of risks for these supply chains include poor working conditions and a lack of employment entitlements. Further risks could arise where a supplier may use parts or components that have been sourced from third parties (e.g. factories, or mining in the case of minerals and resources used to create the products we distribute). In such instances, there may be a strong focus on minimising production costs and poor labour practices. Identifying and addressing these potential risk scenarios both at a group and local level will be the priority of our supplier engagement activities over the next reporting year.

Within Australia, Sektor Australia has warehouses in Sydney and Perth. Elsewhere, warehouses are situated in New Zealand (Auckland), Malaysia (Kuala Lumpur), Thailand (Bangkok) and Vietnam (Ho Chi Minh City). In the section above covering our operations and supply chains, we included detail around our warehousing operations. As we maintain full control of our owned and operated warehousing operations, we believe there is low risk of modern slavery as we ensure a high level of working conditions. We have a statement from our Vietnam 3PL warehousing that no modern slavery exists within their operations. For all of Sektor's direct employees, we comply with the relevant industrial relations laws and workplace laws in each jurisdiction we operate.

### *Assessing and addressing the risk of modern slavery practices*

Our approach to modern slavery is a group wide effort.

The Sektor group of companies have formal policies and procedures in place to promote ethical, open and transparent business conduct for our employees and suppliers. These policies and procedures apply to Sektor Australia. Sektor group's policies contribute to our commitment to prevent violations of human rights, including modern slavery. These policies include our **Whistleblower, Bribery and Corruption, Children in the Workplace, Code of Conduct, and Health and Safety** policies. These policies include general remediation processes that address various adverse human rights impacts to allow people to safely raise concerns.

Sektor Australia will continue to review its policies to ensure that they include processes to also help address the risk of modern slavery in our operations and supply chains.

During our second reporting period, our focus has been on gaining a better understanding of modern slavery risks and how those risks may be present in our operations and supply chains. As part of our modern slavery due diligence, we have considered risk factors including the sector we operate in, the types of products we distribute, as well as the geographical locations where those products are manufactured.

Many of our suppliers are large multi-national companies who have robust modern slavery compliance measures already in place. We know that many of them have and are separately reporting on their modern slavery initiatives under the UK and Australian legislation

During our second reporting period, we engaged with our Tier 1 suppliers to better understand their operations and supply chains. This involved developing and sending correspondence to our Tier 1 suppliers asking them about their modern slavery arrangements. This included asking them to notify us if they are aware or become aware of any modern slavery risks within their business. We also strongly encouraged

each of our suppliers to have modern slavery controls in place. We also requested that suppliers provide us with their Modern Slavery statements (if they were required to provide one).

During the last report period, Sektor Group's Board implemented a Modern Slavery Policy. This policy has been adopted by Sektor Group and each of its subsidiaries (including Sektor Australia). The policy outlines the expectations that the Sektor group of companies has for its personnel and the standards we expect from those in our supply chain.

In our second reporting period, we also identified that our supplier contracts could be strengthened by including a requirement that supplier comply with modern slavery laws and legislation.

### ***Measuring effectiveness of actions taken***

Over our second reporting period Sektor Group, including Sektor Australia has focused on engaging with suppliers and understanding their supply chains. Sektor has reviewed the information it has received from each of its suppliers and from this, has built a stronger understanding of its supplier's operations and supply chains. Sektor is yet to implement a formal process to review and assess its actions. Sektor recognises this analysis will be an ongoing and evolving process which it intends to develop over the next reporting period..

Sektor Group will continue to implement further mechanisms to assess the effectiveness of its actions.

### ***Consultation with any entities Sektor Australia owns or controls***

Sektor Australia does not control or own any entities – therefore this criteria does not apply.

During the reporting period this statement covers, Sektor Group adopted a group-wide approach to raise awareness of modern slavery. This group wide approach was also used to raise awareness of modern slavery within Sektor Group and each of its subsidiaries, including Sektor Australia.

### ***Commitments for the next reporting period (1 April 2021 to 31 March 2022)***

One of our commitments for the next reporting period is to continue to engage further with our suppliers and continue to develop mechanisms to identify and address modern slavery risks in our operations and supply chains.

#### **Continue to engage with our Tier 1 suppliers**

In late 2020, we sent correspondence to our Tier 1 suppliers. This correspondence covered the following:

- we strongly encouraged all of our suppliers to have modern slavery controls in place (e.g. supply chain mapping, due diligence exercises, policies, procedures and training regarding modern slavery risks and identification.)
- we asked our suppliers to provide details of any actual or suspected occurrence or incident of modern slavery in any of our suppliers' supply chains which has a connection with Sektor. This includes details of any investigation, inquiry or enforcement proceedings regarding any modern slavery related offence or alleged offence that has occurred.

We will continue to engage with our suppliers to better understand their modern slavery risks. This engagement will inform and help to develop our ongoing strategy for our modern slavery compliance framework.

#### **Review of Modern Slavery Policy for Sektor**

In November 2020 Sektor's Board implemented a group wide Modern Slavery Policy. It outlines Sektor Group's commitment to identifying and addressing risks of modern slavery. The policy described Sektor Group's expectations for its personnel, and the standards we expect from those in our supply chain. Some key parts of our policy include the following commitments:

- adhering to **applicable laws and regulations** in the countries which we operate
- continually engaging with our suppliers to **better understand their supply chains** and any potential modern slavery risks they face

- continually engaging with our Personnel and suppliers to **raise awareness** and identify **potential risks of modern slavery** in Sektor's operations and supply chains. This includes communicating with our suppliers regarding the actions Sektor would like them to take and how they can engage with Sektor on any modern slavery matters that arise
- strongly encouraging our suppliers to have **modern slavery controls** in place (e.g. supply chain mapping, modern slavery due diligence exercises and policies)
- requiring our suppliers to **notify us** of details of any actual or suspected occurrence or incident of modern slavery, and working with our suppliers to assess the issue and consider next steps
- where modern slavery **issues are identified**, taking appropriate action
- providing our Personnel with a **non-discriminative work environment** that is free from harassment or victimisation, and encouraging them to speak up about any human rights or modern slavery risks they become aware of
- **prohibiting** engagement in any form of modern slavery, including child labour in its supply chains

During our next reporting period, as part of our commitment to continuous improvement, we will take steps to review and assess our modern slavery policy.

#### **Statement version and revision information**

This statement was authorised by the Board of Directors, Sektor Group Limited, November 2021 and signed by JE Warren in his capacity of Director and Chairman.

JE Warren – Director/Chairman

A handwritten signature in blue ink, appearing to read 'JE Warren', with a stylized flourish at the end.

Sektor Group Ltd